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The [Medical Fee Schedule](#) is Finally Here!

Few topics have garnered as much attention and anticipation as the medical fee schedule that was recently enacted. In the 2016 regular session, the Virginia General Assembly proposed a major change to the landscape of medical payments under the Virginia Workers' Compensation Act. Thereafter, on March 7, 2016, then Governor Terry McAuliffe signed a bill to implement a medical fee schedule to take effect on January 1, 2018. The new legislation is covered in Virginia Code Section 65.2-605.

Prior to enactment of the fee schedule there was great uncertainty within the insurance industry regarding the cost of medical treatment throughout the Commonwealth. This uncertainty was created by the fact that medical providers within Virginia often charged vastly different prices for similar services not just from different regions of the Commonwealth, but within the same cities.

Unsurprisingly, disputes would arise between medical providers and carriers over the cost of medical services. In those situations medical provider applications would be filed to institute litigation regarding the billed charges. To no surprise, such litigation could become costly as experts were often required to defend the claims. In Virginia, there are two primary defenses to such claims brought by medical providers, namely, the "prevailing community rate" and a contract between the provider and the carrier. If a bill was marked down based upon the prevailing community rate, it would be necessary to establish what that prevailing rate is for that particular service and then demonstrate how the billed charges exceeded that rate. Such a defense typically required experts to both analyze statistical data and then opine on the reasonableness of the charges. Compared to establishing costs based upon an executed contract this defense was far more involved and consequently more costly.

Since January of this year, future bill disputes are now being governed by the Medical Fee Schedule. According to the new legislation, there will be seven categories for payment and rates will vary depending on the geographic community where the care is rendered. The seven categories are: physicians exclusive of surgeons, surgeons, Type One teaching hospitals, ambulatory surgical centers, other outpatient medical service providers, and purveyors of miscellaneous items. This new legislation does not affect the ability of providers and carriers from entering into contracts for medical services that may be more or less than the fee schedule.

Despite this new legislation, it is important to understand that this is not retroactive. Therefore, adjusters should realize that medical providers will continue to file medical provider applications for disputes that cover dates of service prior to January 1, 2018. Nevertheless, everyone should take some solace in knowing that much of the uncertainty surrounding medical bill disputes should be resolved moving forward. For more information on the Medical Fee Schedule and to find out what certain procedures may cost using CPT codes please visit the Commission's website [here](#).